



CASHLESS ECONOMY: PUBLIC OPINION REGARDING SECURITY OF DIGITAL PAYMENTS IN INDIA

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ABSTRACT

Digital India is the dream and vision of existing Indian Government. To make India as cashless economy government emphasize on promotion & support of digital payment system. Millions of Indians are now entering into the digital payments arena through available varies alternatives. Digital payments adoption is increasing day by day due to its advantages over traditional cash transaction. But in recent past we heard news regarding hacking, cybercrime and leak of data etc and such incidents force us to think about security of digital platform for financial purposes. India is moving towards cashless economy but prime obstacle is security and safety. This paper is an attempt to find out public opinion regarding security of digital payment and is it viable for India to achieve 100% cashless economy in recent time?

KEYWORDS : Opinion, Cashless payments, security, Payment Mode, digital payment.

2. CASHLESS ECONOMY:

Cashless economy means absence of physical cash in transaction or all transactions in economy is carried out digitally / electronically via different kind of available digital payment modes. Indian government promoting digitally empowered society and knowledge economy to Transform India in to faceless, paperless and cashless economy. India is foot step ahead to less cash economy and for that many digital payments platforms are available.

2.1 Availability of different modes of digital payment methods are as follows:

- A. Banking cards
- B. USSD
- C. AEPS
- D. UPI
- E. Mobile wallets
- F. Bank prepaid cards
- G. POS
- H. Internet banking
- I. Mobile banking
- J. Micro ATMs

2.2 Purpose of using cashless Payment services

- Fund transfer
- Shopping
- Utility bill payments like electricity bill, insurance, gas charges, telephone bill etc.
- Pay for transportation like bus, Train, Flight etc.
- For Entertainment like movie ticket, funfair ticket etc.
- For Purchasing food and beverages etc...

2.3 Role of Government of India in cashless economy

Indian government implemented Jan Dhan Yojana, BHIM application, Aadhar based payment system and also launches schemes like Lucky Grahak Yojna for customers & Digi Dhan Vyapaar Yojna for traders to promoting and attracting digital payment for Indians and reduce dependency on physical cash for transactions. Government also Started Awareness initiatives by DIGISHALA, Common Service Centres (CSCs) under Digital Saksharta Abhiyan (DISHA) etc.

2.4 Role of RBI in cashless economy

RBI renews, cease, revoke, cancelled or permitted the certificates of authorization to payment system operators under payment and settlement act.

RBI notification regarding cyber security frame work for bank

dated 2 Jun, 2016 contains.

- Prepare cyber security framework appropriate to bank depending on level of inherent risk.
- Set up a security operation centre for continuous surveillance of cyber threats.
- Ensure protection of all personal and financial data of customers at any cost.
- Prepare cyber crisis management plan to detect-response-recovery and containment of all kind of cyber threats and to achieve zero day attacks.
- Mandatory reporting of cyber incidents promptly and prepared indicators for assessment and measurements of cyber security framework.
- Taking necessary action to create awareness among all stakeholders.

2.5 SWOT analysis of India as cashless economy

SR NO	STRENGTH	WEAKNESS	OPPORTUNITY	THREAT
1	Planned strategy	Cash as king (habit)	Economy growth	Cyber crime
2	Financial inclusion	Lack of digital literacy & Awareness	Reduce corruption	Theft of personal and financial data
3	Government support	Lack of infrastructure	Curbing black money	Fear of money loss
4	Increase in smart phone and internet users	Sluggish economy	Increase tax collection	Hacking (security of transaction)
5	Easy and convenient to use	Electricity supply (24*7)	Saving of huge Expenditures. (currency notes)	Threats from viruses, malwares, phishing etc.

3. LITERATURE REVIEW

Report by DSCI and Paypal (2018), They have reported India in the journey of digital payments achieving new highs in terms of transaction and it is in the stage of early adoption. But in India incidents of cyber attacks reported in banking organisation and discovered that from multiple accounts around 25 crore rupees was pilfered due to a bug in digital payment application. Customer trust and security should be first priority throughout transformation cycle in digital payment ecosystem. Also Report highlighted measures to mitigate security risk which are associated with digital

payment methods and some of threat vector.

Ashish baghla (2018), "A study on the future of digital payments in India" in this research found that India requires some more time to become 100% cashless economy. Around 32% of respondents are said it is impossible to achieve complete cashless economy. Obstacles of cashless economy are lack of awareness and digital knowledge among the people of India. People are also having fear of money loss and risk of hacking associated with use of digital payment methods. Government of India need to more focus on above challenges to succeed in cashless economy.

4. RESEARCH METHODOLOGY

The Descriptive Research Design use for this Research paper.

4.1 Objectives

1. To know public opinion for India as cashless economy.
2. To find out the obstacles for India to become cashless economy.
3. To analyse security concern of public towards cashless economy.

4.2 Limitations of the study

- The study is carried out by taking responses from online discussion forum.
- Technological advancement and time element may change opinion of respondents so generalisation may vary in future.
- Respondents' technical understanding may not up to the mark.

5. Findings

- 1) About 60 % respondents give opinion that digital payment is secure and safe. There are layers of security like OTP and password makes it safe. They feel that it is subjective matter of users to be alert and follows the necessary guidelines provided by service providers & banks. User should become updated and it is important to upgrade apps time to time.
- 2) About 21% of respondents feels that the digital system is secure but the illiteracy, lack of digital knowledge, lack of awareness, lack of infrastructure facility and poverty are the biggest challenges for achieve 100% cashless economy.
- 3) About 19% of respondents feel that it is not secure and India is not ready to go 100% cashless economy. There are many examples of cybercrime; hacking and theft of personal and financial data are the witness of insecurity of digital platform in India. Some fraudulent call, messages and pop-ups are the ways of doing fraud.
- 4) Digital payment system is best option for economic development and it can help economy by many ways like reduce corruption, record of all money transactions,
- 5) There are some problems other than the security are delay in refund/credit, elder people dependent on other for transaction, in emergency cash is better option
- 6) Urban people are accepting it more than rural people.
- 7) Some time sharing of information, negligence or avoidance of important guidelines leads to money loss.

6. Discussion & Conclusion:

Indian government's efforts and support for awareness & adoption of digital payment system are good but India is a country of villages so rural area people have some low level of awareness, illiteracy, lack of Infrastructure facilities, connectivity issues and faces many more problems which proves that India cannot achieve 100% cashless economy in recent time.

But on the other hand India is a country of youth and they are very much easy going with technology. youth is using &

operating smart phones with ease and adopting new technologies soon so that is plus point for moving toward cash less economy. Digital payment usage helps economy to grow faster and it also helps to reduce black money, corruption, illegal transactions, and evasion of taxes etc. Complete removal of cash from economy is not possible because in daily life it is mandatory and necessary that up to some extent, we need cash so we can say that India should move forward to less cash economy instead of cashless economy and it will lead finally to digital India. As per user's perspectives digital payment has lots of advantages over cash transaction like convenience, ease of usage, history of record, no headache of carrying cash etc but there are always feeling of cyber threat in user's mind, so Security and safety concern is prime importance for them. In spite of many other challenges and problem for India to go cashless Government, banks and service providers are putting efforts for secure transaction facility and it helps India to be cashless economy.

7. Key suggestion to achieve cashless economy.

Government of India, RBI, Banks, Digital payment service providers, Merchants all have to look for Awareness, Digital literacy, Infrastructure, advancement of technology, hardware security, connectivity, quick or prompt refund facility etc. They are and will keen to provide it but if user will not satisfy with security, not putting faith in digital payment system or if the users will not be alert, cautious or updated then 100% cashless economy will remain dream.

As the security in digital payment system is subjective matter of users so its necessary to follow below guidelines to reduce risk, loss.

1. Never share OTP or payment information with anyone.
2. Never reply or open link from known or unknown sender before checking authenticity. Safest way is to avoid it.
3. Make a strong transaction/login password and keep changing regularly.
4. Never keep debit, Credit, ATM card and PIN together.
5. Follow all guidelines during carryout digital transactions. Never avoid or neglect guidelines.
6. Always observe and check reliability and authenticity of merchant and website before going for transaction. (Sometimes use common sense).
7. Download the digital payment related app from genuine source and read all terms and condition before installing it.
8. While open apps use all the security facility provided like pin or password by service providers as well as default Smartphone facility like password, fingerprint scanner, pattern etc if its support.
9. Data will be saved automatically in cloud so be alert and sure about cloud providers terms and conditions.
10. Update software, apps, antivirus regularly.
11. If change mobile number immediately update mobile number with bank/s or service providers.
12. If mobile stolen then immediately block all your cards and inform bank/s or service providers.
13. Never use Smartphone which is jailbroken or rooted.
14. Never use outdated operating system and non-secure network connections.

For preventing money loss user may follow

- Use only one bank account for all transaction. Maintain minimum or optimum balance in that account. Credit that account from other bank account as per requirement because bank to bank transaction are safer than merchant or intermediaries account.
- Or if possible use credit card of different banks with different limits and use those as per the cost/ expenditure. So limitation of credit / Expense causes less money loss.

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